

Legislative Audit Division

State of Montana



Report to the Legislature

January 1998

Performance Survey Report

Laboratory Services

Department of Public Health and Human Services

The Department of Public Health and Human Services has two laboratories, the Public Health Laboratory and the Environmental Laboratory. This performance survey identified potential issues in both laboratories including:

- ▶ **Management controls.**
- ▶ **Management information systems.**
- ▶ **Laboratory funding and fee structure.**

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PERFORMANCE AUDITS

Performance audits conducted by the Legislative Audit Division are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy. In performing the audit work, the audit staff uses audit standards set forth by the United States General Accounting Office.

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January 1998

The Legislative Audit Committee
of the Montana State Legislature:

This is our performance survey report of Laboratory Services of the Public Health Laboratory and the Environmental Laboratory within the Department of Public Health and Human Services. This report contains information on both laboratories' operations. Based on our survey findings, we recommend additional performance audit work be conducted at a later date.

We wish to express our appreciation to department personnel for their cooperation and assistance.

Respectfully Submitted,

"Signature on File"

Scott A. Seacat
Legislative Auditor

Legislative Audit Division

Performance Survey

Laboratory Services

Department of Public Health and Human Services

Members of the audit staff involved in this audit were Laurie Evans, Susan Jensen, Kris Wilkinson and Mike Wingard.

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Chapter I - Introduction

Introduction

The Legislative Audit Committee requested a performance audit of the Laboratory Services Bureau in the Operations and Technology Division within the Department of Public Health and Human Services (DPHHS). During audit planning, we were informed by DPHHS officials of a plan to reorganize the Laboratory Services Bureau into two laboratories, the Public Health Laboratory and Environmental Laboratory. Due to the reorganization it was determined an audit survey would first be completed, and we would recommend to the Legislative Audit Committee a postponement of formal audit work.

Survey Objectives

The purpose of this audit survey was to review overall program operations in the laboratories. The following are the specific survey objectives:

- ▶ Evaluate management controls.
- ▶ Determine and review management information systems.
- ▶ Evaluate reports used by the laboratories to measure operations.
- ▶ Evaluate how the laboratories are funded and how service fees are established.
- ▶ Compile a questionnaire to obtain customer information as to timeliness and quality of services provided by the laboratories.

Survey Scope and Methodology

Information compiled as a result of survey audit work furnished a historical perspective of each laboratory and provides the basis for future audit work. We gathered and reviewed background information which included:

- ▶ Statutes and administrative rules.
- ▶ Appropriation reports, and revenue and expenditure information.
- ▶ Current and planned organizational structure of the laboratories.
- ▶ Department files.
- ▶ Position descriptions of management and staff.

We interviewed staff to determine actual duties and expectations for individual positions. We also traveled with laboratory staff and observed certification inspections of two private laboratories. In addition, we conducted interviews with 34 customers of the

Chapter I - Introduction

laboratories to obtain information and develop a basis for a questionnaire we subsequently sent to a larger sample of customers. In the survey, we asked customers to provide information as to the types of services or tests purchased from each laboratory, their opinion of turn-around time for tests submitted, and testing accuracy.

Customers were also asked why they use the state laboratories, and if and why they may be using private laboratories. Customers included private citizens, public and private clinics, hospitals, community health providers, private laboratories, county sanitarians, and state and federal government personnel.

We contacted the Environmental Protection Agency to discuss its two-part laboratory certification process and to obtain federal standards for certification. In addition, we contacted personnel from the United States Department of Health and Human Services regional CLIA (Clinical Laboratory Improvement Amendments) office in Denver. We obtained and reviewed the last two CLIA reports resulting from its review of the DPHHS laboratories.

Lastly, we attended meetings of a transition team organized by management of DPHHS's Health Policy and Services Division. This transition team met to help incorporate the Public Health Laboratory into the division and to keep management up-to-date on reorganization events.

Report Organization

Chapter II presents background information on the Public Health Laboratory and Environmental Laboratory. Chapter III discusses reorganization of the former Laboratory Services Bureau and identifies evaluations and reviews of the laboratories. Chapter IV outlines survey findings and results of the customer questionnaire.

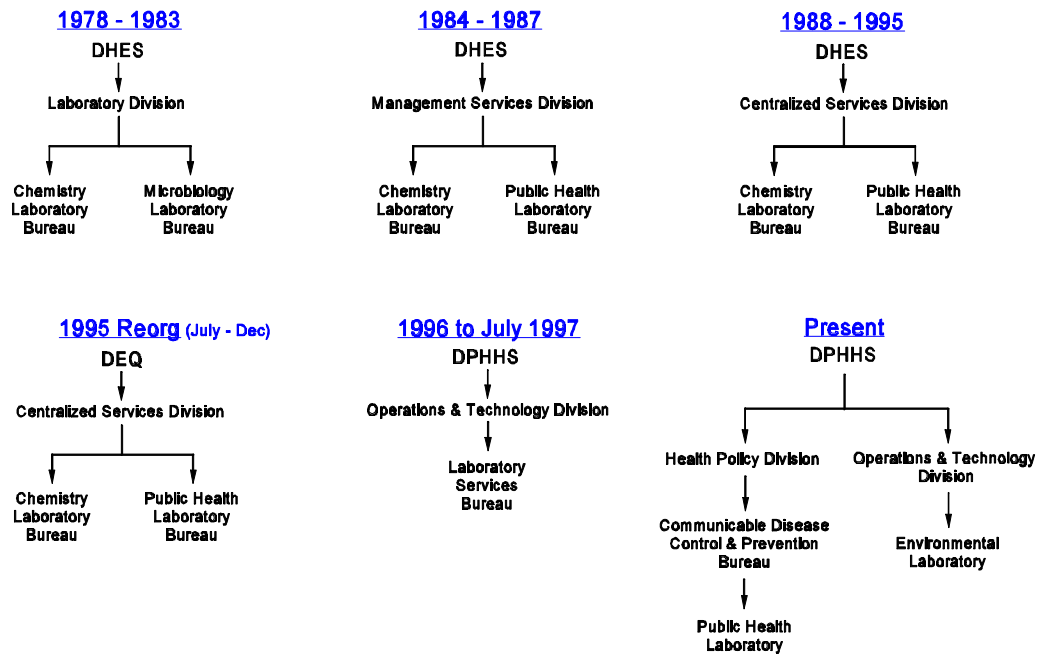
Chapter II - Background

Introduction

The Environmental Laboratory and Public Health Laboratory have operated under separate management for most of their existence. The two laboratories are, and have been, located on the first and second floors of the Cogswell building. From 1978 through 1995, the two laboratories operated as separate bureaus within the Department of Health and Environmental Sciences. As a result of the 1995 reorganization of state health and environmental agencies, supervision of the laboratories was consolidated under one laboratory director, and initially managed by the Department of Environmental Quality (DEQ). Approximately six months later the two laboratories' functions continued to be administratively combined, but were transferred to the Department of Public Health and Human Services (DPHHS). As of July 1, 1997, the two laboratories are operating as separate divisions within DPHHS. The following flowchart shows a historical perspective of organizational changes in the Public Health and Environmental laboratories.

Chapter II - Background

Figure 1
History of Laboratory Services Reorganization
(1978 through Present)



Source: Compiled by the Legislative Audit Division.

Presently, the Public Health Laboratory is administered by the Communicable Disease Control and Prevention Bureau, in the Health Policy and Services Division within DPHHS. The Environmental Laboratory is administered by the Operations and Technology Division. The following sections describe each laboratory's functions.

Environmental Laboratory

According to Environmental Protection Agency (EPA), “To receive and retain primacy, the State must have the availability of laboratory facilities certified by the EPA and be capable of performing analytical measurements for all contaminants specified in the State Primary Drinking Water Regulations.” EPA certifies the state Environmental Laboratory, which subsequently gives the state authority to certify private laboratories operating in the state. EPA certification consists of on-site evaluation of the laboratory’s responsibilities, organizational structure, program scope, staffing, resources, and compliance with established certification procedures. In order for the laboratory to be granted EPA certification, it must also pass reviews known as annual performance audits. These audits require successful analysis and performance evaluation of samples within an acceptable range, and demonstration of the ability to analyze drinking water samples using EPA approved methodologies. The on-site certification review of the Environmental Laboratory is generally completed every three years. The last EPA on-site evaluation was completed in June of 1994, the next review is scheduled for 1998.

States with primacy must develop and maintain a certification process for private laboratories conducting water sampling analyses, including municipal or private drinking water, within the state. This certification process includes a formal application, an on-site review of the laboratory by the state, and subsequent inspections every three years with annual sample audits. There are 16 private in-state laboratories and 27 out-of-state laboratories certified by the Environmental Laboratory. The certification of out-of-state laboratories is through reciprocity, which is the mutually acceptable certification among primacy states and/or EPA regions. All laboratories analyzing drinking water must adhere to EPA procedures.

Other services provided by the Environmental Laboratory include:

- ▶ Environmental microbiological and chemical analyses of water, soil, animal and other samples.
- ▶ Consultative and reference services.
- ▶ Testing of diesel fuel.

Chapter II - Background

The Environmental Laboratory has 12 full-time equivalent positions. Three of these positions were vacant during this survey. Laboratory staff include chemists and medical technologists.

Environmental Laboratory customers include private citizens, public drinking water suppliers, federal government programs, state agencies (i.e. DEQ, Montana Department of Transportation), county health departments, and county sanitarians. The Environmental Laboratory is planning additional work for DEQ as a result of House Bill 546, passed during the 55th Legislative Session. HB 546 requires DEQ to develop total maximum daily load limits for waters identified as threatened or impaired. DEQ anticipates having the Environmental Laboratory complete analysis of these water samples.

Public Health Laboratory

The Public Health Laboratory is certified by the federal Health Care and Financing Administration (HCFA) under Clinical Laboratory Improvement Amendments (CLIA). The mission of this laboratory is "To perform laboratory procedures for diagnosis and treatment of disease with public health significance." Services provided by the Public Health Laboratory include:

- ▶ Reference testing.
- ▶ Diagnostic testing for infectious and metabolic diseases.
- ▶ Technical assistance in support of disease prevention and control programs.
- ▶ Training and technical support for laboratories throughout the state.

Customers of the Public Health Laboratory include hospitals, clinics, private laboratories, county health departments, physicians, and the general public.

There are 17 full-time equivalent positions within the Public Health Laboratory. Personnel doing testing are licensed clinical laboratory specialists with backgrounds in areas such as microbiology or other biological sciences. At the time of this survey, there were three vacant positions in this laboratory.

Funding Sources

The Public Health Laboratory and the Environmental Laboratory are funded primarily with state special revenues generated from service fees. Examples of fees for tests provided at the Public Health Laboratory include:

- ▶ Hepatitis - \$5 to \$45
- ▶ Newborn screening \$18.50
- ▶ Tuberculosis detection - \$100
- ▶ Tick-borne disease - \$18

Fees for tests completed by the Environmental Laboratory include:

- ▶ Fecal Coliform Analysis - \$16.50
- ▶ Pesticide & Herbicides - \$75 to \$180
- ▶ Turbidity - \$5

Due to the recent separation of the laboratories we were limited in providing a financial overview for each laboratory. The following table shows revenue and expenditure figures for the former Laboratory Services Bureau for fiscal years 1993-94 through 1996-97.

Chapter II - Background

Table 1
Laboratory Services Bureau Revenues and Expenditures

<u>State Special Fund</u>	Fiscal Year <u>1993-94</u>	Fiscal Year <u>1994-95</u>	Fiscal Year <u>1995-96</u>	Fiscal Year <u>1996-97</u>
Total Revenues	\$1,365,231	\$1,318,304	\$1,281,741	\$1,283,253
Total Expenditures	<u>1,367,255</u>	<u>1,496,104</u>	<u>1,278,977</u>	<u>1,602,004</u>
Difference	\$ (2,024)	\$ (177,800)	\$ 2,764	\$ (318,751)

Source: Compiled by the Legislative Audit Division from SBAS.

As the above table shows, expenditures exceeded revenues in three of the past four fiscal years. To address the shortfall, the department obtained inter-entity loans and advances from other funds. All service fees for the laboratories were recently evaluated by the department because fees had not been adjusted for four years. New fee schedules became effective July 1, 1997.

In addition to fee revenues, the Public Health Laboratory receives federal funding such as Maternal & Child Health Care and Health Prevention & Services grants. The above table does not include federal grant revenues and expenditures. This activity is accounted for within other federal special revenue accounts.

Chapter III - Laboratory Reorganization and Reviews

Introduction

Coinciding with our initial audit planning, Department of Public Health and Human Services (DPHHS) officials evaluated the Laboratory Services Bureau to determine if the laboratories were fulfilling their purpose. Part of the review was an evaluation of recommendations made by an August 1994 independent review of the laboratories conducted by a private consulting firm hired by the then Department of Health and Environmental Services. Overall, the review recommended:

- ▶ Develop professional protocol.
- ▶ Improve communication.
- ▶ Establish training for management and staff.

DPHHS officials acknowledged there had been no progress to implement the 1994 review recommendations prior to the recent reorganization of the laboratories.

Reorganization

A reorganization plan resulted from the recent DPHHS management evaluation. Reorganization included separation of the two laboratory functions and placement into different organizational units within the department. This plan identified the need for formal mission statements, goals and objectives, business plans, job descriptions, and performance standards. The department hired managers for both laboratories to help with initiation of the reorganization plans.

Safety Review

Also during our audit survey, DPHHS requested the Safety Bureau within the Department of Labor and Industry (DOLI), to complete a safety review of both laboratories. The safety review identified 42 items for corrective action. These items ranged from categories classified as serious hazards to violations of safety and health standards. Thirty-four were classified as serious hazards, which are hazards that could result in a substantial probability of death or serious physical harm should an employee be exposed. Examples of the serious hazards identified in the safety review were:

- ▶ Argon and methane cylinder within three inches of wall outlets and six inches of a light switch.
- ▶ Inappropriate storage of acid.

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- ▶ Showers located where delicate equipment was operated and insufficient floor drains for showers.
- ▶ Inadequate liquid for drenching or flushing for eyewash and showers.
- ▶ Need for development and enforcement of an Exposure Control Plan in the event of exposure to blood or other potentially infectious materials.
- ▶ Electrical hazards.
- ▶ Laboratory hazards.
- ▶ Personal protective equipment issues.

In addition to the above violations, the safety report recommended establishing safety goals and objectives, development of policies and procedures, and safety training.

Laboratory responses to the safety review were required by July 18, 1997. According to DOLI officials, the laboratories have individually submitted responses to the safety inspection. DOLI personnel completed a safety review follow-up of the Environmental Laboratory in September 1997. A DOLI follow-up on safety concerns within the Public Health Laboratory is planned but not completed as of December 12.

Clinical Laboratory Improvement Amendment Certification Review

Congress passed the Clinical Laboratory Improvement Amendments (CLIA) in 1988. CLIA establishes minimum quality standards for all laboratory testing to ensure consistent high quality testing. Federal statute requires laboratories to obtain certification, pay applicable fees and comply with regulations regarding proficiency testing, personnel, and quality assurance. A laboratory is defined by regulations as “. . . any facility that performs laboratory testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention, treatment of disease, or impairment of, or assessment of health.”

CLIA completed a review of the Public Health Laboratory and Environmental Laboratory on July 17, 1997. CLIA identified eight areas for improvement. Both the Public Health Laboratory and Environmental Laboratory were included in this review because CLIA records showed both laboratories perform testing on human specimens under the same CLIA accreditation. The CLIA review

Chapter III - Laboratory Reorganization and Reviews

and interviews with CLIA personnel identified the following areas in which improvements could be made.

- ▶ Test proficiency samples the same number of times.
- ▶ Have available and follow written policies and procedures for specimen labeling.
- ▶ Establish procedures for the proper preparation and storage of reagents and other supplies.
- ▶ Appropriate use of control organisms.
- ▶ Document remedial actions taken as a result of deviation from normal or expected results and unacceptable proficiency testing.
- ▶ Consistent use of negative reactivity to demonstrate negative results.
- ▶ Proper calibration and use of calibrated equipment.
- ▶ Train and complete competency evaluations for personnel and supervisors doing testing.

Also during the CLIA review, it was discovered Environmental Laboratory personnel were performing blood lead tests without the necessary state licensure. Section 37-34-301, MCA, states, “A person may not engage in the practice of clinical laboratory science or hold out to the public that the person is a clinical laboratory science practitioner in this state unless the person is licensed . . .” A cease and desist order for testing blood lead was issued by the Montana Board of Clinical Laboratory Science Practitioners. According to department management, they were unaware of this licensure requirement and stopped performing this test in compliance with the order.

Chapter IV - Audit Survey Findings

Introduction

This chapter reports findings resulting from our survey work. When applicable, we identified changes being implemented in the area by the department.

Management Controls

Management controls address overall operations of an organization. These controls include a mission statement, goals, objectives, policies, procedures, position descriptions, and performance appraisals. Our survey work identified limited management controls in the following four areas.

1. Neither laboratory had established Mission Statements.

A mission statement provides management and staff with a clear statement as to the major undertaking or function of a program. At or near completion of our survey work, both laboratories established mission statements.

2. Program goals and objectives for the laboratories were not developed.

Goals and objectives help provide measurable standards for an operation. Documenting relevant, measurable and verifiable goals allow for a clear understanding of a program's purpose and mission and provide an understanding of the program's direction. Objectives relate directly to a program's goals and outcomes. Objectives also allow management to track responsibilities and accomplishments within a program and provide a method to measure results or outcomes.

During our survey work, neither the Environmental Laboratory nor Public Health Laboratory had developed formal goals and objectives to help measure program responsibilities, accomplishments, or outcomes. Recently, the Public Health Laboratory established some management objectives.

3. Annual performance appraisals were not completed for personnel.

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Section 2-18-101, MCA; ARM Section 2.21.6411; and Montana Operations Manual, section 3-0115, specify the need for annual performance appraisals. Performance appraisals provide clarification of the employee's role in the work place and can provide an opportunity for improving efficiency, productivity and job satisfaction.

Review of personnel files and interviews with laboratory staff and management determined annual performance appraisals have not been completed. The Public Health Laboratory recently developed a personnel competency checklist and performance appraisal forms to be used in upcoming evaluations.

4. Position descriptions for personnel were not current.

Accurate and complete position descriptions provide staff with clear guidelines of requirements and outline expectations for performance. Position descriptions should define the scope, relationship, responsibilities, and authority of each position.

Interviews with staff and management and review of position descriptions indicated the existing descriptions were outdated. Public Health Laboratory officials indicate they recently updated position descriptions and provided these to staff. The Environmental Laboratory officials indicated they will begin updating position descriptions as time permits.

5. Laboratories have limited documented operational policies and procedures.

Formal documented policies and procedures guide personnel in performing duties in a consistent and accurate manner. Policies and procedures help strengthen management's control over operations and help assure continuity if staffing changes occur.

Survey work identified the Public Health and Environmental Laboratories have procedural manuals for laboratory testing. Yet our review and reviews completed by the Department of Labor and Industry and Clinical Laboratory Improvement Amendments (CLIA)

Chapter IV - Audit Survey Findings

found limited documented operational policies and procedures. Department officials acknowledged the need for additional operational and staff policies and procedures.

Department Actions

Since audit survey completion there have been administrative changes within both laboratories. Department officials recently appointed managers for each laboratory to help with the organizational changes.

Management Information System

The laboratories have not develop comprehensive management information regarding their overall operations.

A management information system should relate specifically to a program's objectives, avoid collection of unnecessary data and provide a reporting structure for use by individuals responsible for decision making. A management information system, if properly developed, can provide management with a way to evaluate outcomes and a means to plan for the future.

The audit survey found each laboratory maintains a different data base, in some cases several data bases, unique to the operations of each laboratory. Staff indicated there are concerns with the integrity of some information. Some customers responding to our questionnaire also identified concerns with accuracy of the laboratories' billing system. Due to the lack of management information we were unable to identify or evaluate reports used by the laboratories to measure operations.

The Environmental Laboratory has been working to initiate a new data management system for the past year.

Funding of Laboratory Operations

There is limited documentation of how fees used to fund the laboratories are established.

Chapter IV - Audit Survey Findings

Laboratory Funding

The Public Health and Environmental Laboratories are primarily funded by fees obtained from conducting laboratory tests for their various customers. As noted on page 8, during three of the last four fiscal years, the laboratories' expenditures have exceeded revenues. For fiscal year 1996-97, we also determined one or both of the laboratories borrowed \$455,000 in inter-entity loans and advances from other funds to continue operations. The laboratories received two loans and an advance in May and June of 1997. Inter-entity loans must be repaid within a year and the advance is a permanent loan from the General Fund.

Laboratory Fees

Statute requires laboratory fees to ". . . reflect the actual costs of the tests or services provided. The department may not establish fees exceeding the costs incurred in performing tests and services." Preliminary survey work identified limited documentation of how fee structures for both laboratories were established. For example, we were unable to determine if the laboratories are considering revenues and expenditures associated with federal pass-through grants in the fee calculations. Laboratory management was also unable to provide comprehensive, formal documentation as to what different factors were used when establishing the new fees, which went into effect on July 1, 1997.

During the audit survey we did not fully evaluate each laboratory's revenues and expenditures or fee structure. However, because expenditures have exceeded revenues, the laboratories have had to obtain loans to pay expenses. Survey work also identified limited documentation of how fees are established.

Certification of Private Laboratories

Certifications of private laboratories may not be completed in a timely manner.

The state of Montana retains primacy for administration of the federal Safe Drinking Water Act; therefore, the Environmental Laboratory has the responsibility and authority for certifying private laboratories who conduct drinking water analyses. The state is required to complete a formal certification of the private laboratories every three years, and monitor performance evaluation audits administered by the Environmental Protection Agency (EPA).

Chapter IV - Audit Survey Findings

According to staff, due to position vacancies and overall responsibilities, they had difficulties ensuring timely laboratory certification and monitoring of EPA performance evaluations.

We also asked private laboratories certified by the Environmental Laboratory to provide input on the certification process. Some respondents indicated concern with timeliness of the certification and expressed need for improvement in the overall certification process.

Results from Customer Questionnaires

Although the Department of Public Health and Human Services (DPHHS) decided to reorganize the laboratories, they indicated there was limited information regarding customer satisfaction with laboratory testing. Therefore, we developed a questionnaire to determine satisfaction with timing and quality of services. It was anticipated results from the questionnaire would provide a perspective from customers and could provide a basis to determine future impact on customers of the recent organizational changes. We also intend to use the results as baseline data for future audit work.

We sent a total of 579 questionnaires to customers of the Environmental and Public Health Laboratories. We stratified our sample into customer groups containing both current and past purchasers of services from both laboratories.

Respondents Use of Laboratory Services

Of the 579 questionnaires sent to customers, 42 percent (244/579) were completed and returned. Forty-one percent of the Environmental Laboratory's customers use the laboratory at least monthly. Twenty-five percent of the respondents indicated they used the Environmental Laboratory infrequently, which we defined as used only once or twice.

Chapter IV - Audit Survey Findings

The following table identifies how often Environmental Laboratory customers responding to our questionnaire use laboratory services.

Table 2
Use of Environmental Laboratory

Frequency of Use	Percent
Weekly	11%
Monthly	30%
Quarterly	12%
Annually	8%
Infrequently	25%
No Longer Use	11%
No Response	3%

Source: Compiled by the Legislative Audit Division.

We also asked Public Health Laboratory customers how often they use the laboratory. As the following table indicates, 52 percent of the customers surveyed use the Public Health Laboratory weekly.

Table 3
Use of Public Health Laboratory

Frequency of Use	Percent
Weekly	52%
Monthly	24%
Quarterly	11%
Infrequently	10%
No Longer Use	3%

Source: Compiled by the Legislative Audit Division.

Chapter IV - Audit Survey Findings

Reasons for Using Laboratories

We asked customers why they use the Environmental or Public Health Laboratories. While respondents could provide multiple responses, the most frequent question responses were service, location and cost of tests.

The following table provides responses received from customers of the Environmental Laboratory.

Table 4
Reasons Why Customers Use the Environmental Laboratory

Why Use Laboratory Services?	Number of Responses	Percentage of Respondents
Service	60	33%
Location	56	31%
Cost of Tests	46	25%
EPA Requirement	43	24%
Expertise of Staff	39	22%
Accuracy of Testing	37	20%
Other	29	16%
Referral Source	19	11%

Source: Compiled by the Legislative Audit Division.

Public Health Laboratory customers identified cost of tests as their primary reason for using the laboratory. The next most frequent response was service, with 46 percent of the customers identifying it as their reason for using the laboratory.

Chapter IV - Audit Survey Findings

The following table shows why customers use the Public Health Laboratory.

Table 5
Reasons Why Customers Use the Public Health Laboratory

Why Use Laboratory Services?	Number of Responses	Percentage of Respondents
Cost of Tests	44	70%
Service	29	46%
Reference Lab	25	40%
Accuracy of Testing	23	37%
Expertise of Staff	21	33%
Location	18	29%
Statutory Requirement	14	22%
Other	4	3%

Source: Compiled by the Legislative Audit Division.

Turn-around Time for Samples

We asked users to evaluate their satisfaction of turn-around time for samples, from submission of the sample to laboratory response. Questionnaire results identified 19 percent of the Environmental Laboratory customers and 22 percent of the Public Health customers identified timeliness as unsatisfactory.

We also asked customers of the Environmental Laboratory why they use private laboratories. We found 18 percent of the customers using private laboratories are using private laboratories because turn-around times are more acceptable. Of the Public Health Laboratory customers using private laboratories, 36 percent identified turn-around time as the reason for using the private laboratories.

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According to laboratory staff there are informal procedures in place to ensure proper turn-around. However, we found there does not appear to be a formal system in place to evaluate turn-around by sample, by technician, or overall.

Customers Request Other Services

We asked customers if there were other services they would like the laboratories to provide. Overall, 84 percent of the Environmental Laboratory's customers indicated they did not need additional services. However, one customer group indicated the need for more services from the laboratory. This group was made up of state agency personnel. Examples of other services they would like to see provided are additional analysis and electronic reporting of testing results.

Sixty-eight percent of Public Health customers indicated they did not need additional services. Thirty-two percent requested other services ranging from expanding the type of tests performed, to the need for a committee made up of public and private sector representatives from laboratories and users to define services for the Public Health Laboratory.

Summary

Both laboratories are undergoing organizational and management changes. DPHHS officials identified areas requiring changes and are working to review and implement changes in the laboratories' operations. Examples of the changes include:

- ▶ Hire of laboratory management.
- ▶ Update position descriptions.
- ▶ Implement DOLI safety concerns.
- ▶ Assess role and functions of the laboratories.
- ▶ Review and assess each laboratory's databases.

Audit survey work identified the following areas for review during a performance audit:

- ▶ Management Controls
Survey work identified the need for both the Public Health and Environmental Laboratories to develop management controls.

Goals and Objectives - Both laboratories have limited documented program goals and objectives. During future audit

Chapter IV - Audit Survey Findings

work we would review goals and objectives to determine if they help measure responsibilities and accomplishments.

Performance Appraisals - We found annual performance appraisals are not completed for staff and management of the Public Health and the Environmental Laboratories. During future audit work we will determine if timely performance appraisals are completed.

Position Descriptions - Survey audit work identified most position descriptions for staff and management of both laboratories were outdated. In corroboration with management and staff, we will review position descriptions to verify if they are up-to-date and accurate.

Policies and Procedures - We found there are limited documented policies and procedures at both laboratories. During future audit work we will determine if appropriate policies and procedures are developed and evaluate them to determine if they help strengthen the laboratories' operations.

- ▶ Management Information Systems

Audit survey work found the laboratories do not have access to comprehensive management information. Future audit work will include a review of the information system(s) in place and to determine if management has access to the information necessary to measure and evaluate the operations of each laboratory.

- ▶ Funding and Fee Structures

Survey audit work identified the laboratories need to obtain inter-entity loans and advances from other funds to continue operations in three of the last four years. We also identified there is limited documentation of how laboratory fees are established. When we return to complete formal audit work, we will obtain and review documentation to evaluate the financial position of both laboratories and determine if fees are sufficient to fund operations.

- ▶ Certification

Survey audit work identified concerns with timely certification of private laboratories and monitoring EPA performance testing. We will evaluate the certification process to determine timeliness and the overall certification process.

Chapter IV - Audit Survey Findings

- ▶ Questionnaire Results

During formal audit work we will use the results of the customer questionnaire as a base line to gather updated customer opinions about laboratory operations.

In order to conduct a comprehensive and effective audit and provide an opportunity for the department to fully implement the reorganization changes, we will postpone a performance audit until a later date.